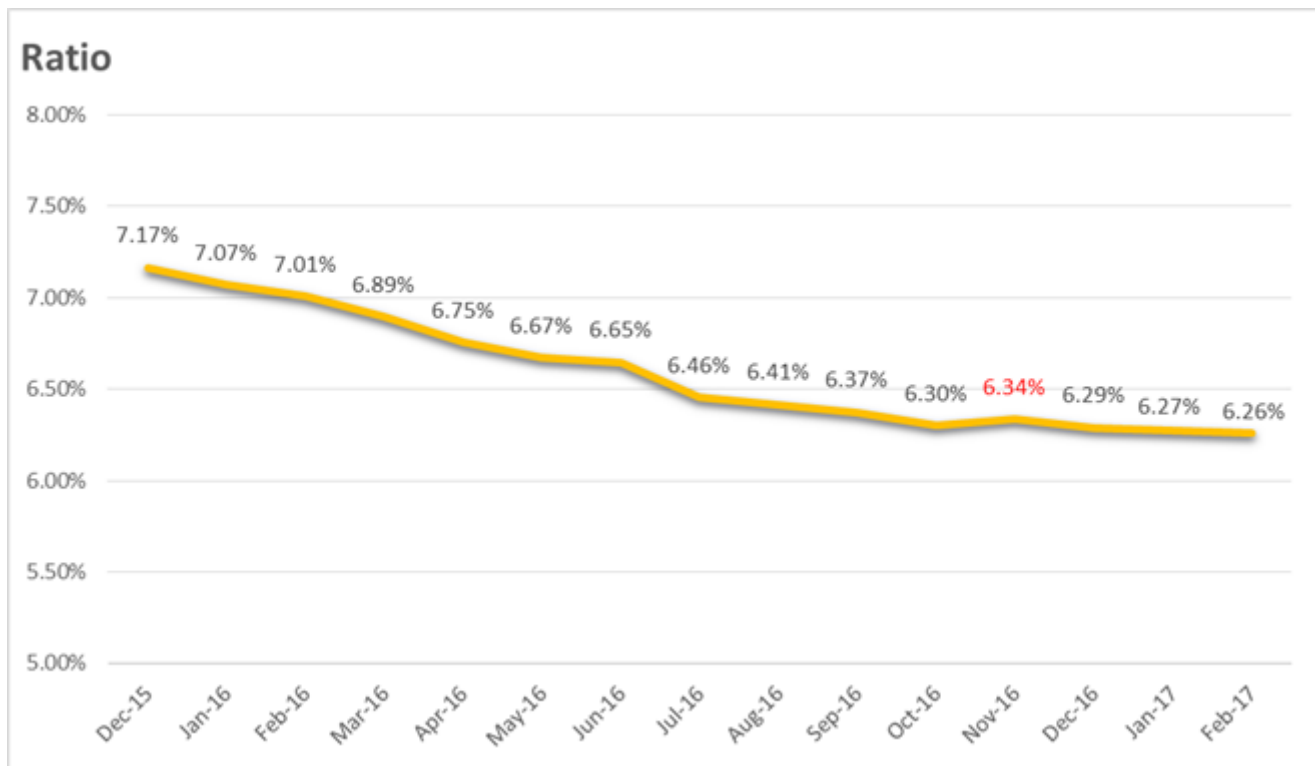


PAX Rejection Memo Reduction February 2017



Estimated percentage of prime billings rejected

The chart below illustrates the trend of estimated percentage of rejected prime billings. Each month the percentage is recalculated by dividing the sum of 1st stage rejections of the previous 12 months by the sum prime billings for the same period of time (formula shown below). The graph is based on data from billing months January 2015 to February 2017.

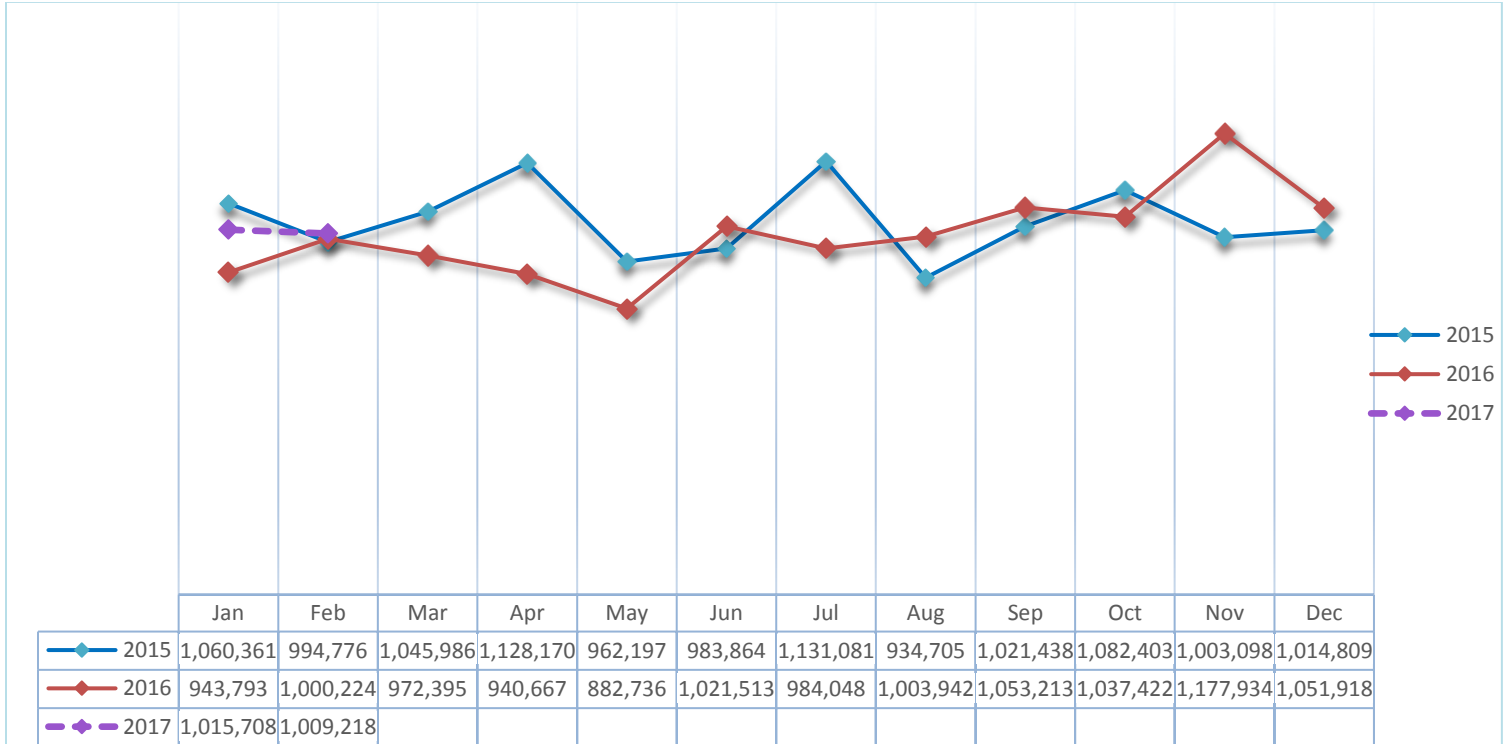


$$\text{Estimated \% of rejected prime billings} = \frac{\text{Sum of Stage 1 RMs of past 12 months}}{\text{Sum of Prime Billings of past 12 months}} \times 100\%$$

Note: All SMI-A (Settlement through ACH using ACH rules) data is excluded from this report.

Global

The chart below shows the rejection memo counts of all stages during the years 2015, 2016 and 2017.



By Stage

While the analysis is mainly based on 1st stage rejections, the percentages of 2nd and 3rd stage rejections are also tracked. A few airlines have significantly increased their 2nd and 3rd stage rejections in comparison to 2015. Further analysis will be done to determine the cause of the increase.

